



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF ELEMENTARY AND SECONDARY EDUCATION

THE ASSISTANT SECRETARY

SEP 13 2010

Honorable Janice Brewer
Office of the Governor
1700 West Washington
Phoenix, AZ 85007

Dear Governor Brewer:

I am very pleased to award funds to your State under the Education Jobs Fund (Ed Jobs) program, which is authorized under section 101 of Public Law No. 111-226 (Act). This program provides essential resources to assist local school districts in saving or creating education jobs and helping to ensure that America's students are prepared to succeed in college and careers.

The State may retain up to two percent of its Ed Jobs fund allocation for the administrative costs of carrying out its responsibilities under the program. The remaining amount (at least 98 percent) must be made available on a timely basis to local educational agencies (LEAs) to save or create education jobs for the 2010-2011 school year. You may distribute the funds to LEAs based on either the State's primary elementary and secondary education funding formula(e) or the LEAs' relative shares of funds under Part A of Title I of the Elementary and Secondary Education Act. The funds remain available for obligation through September 30, 2012.

As you know, under the Ed Jobs program, the State must maintain fiscal effort for education for fiscal year 2011 as specified in section 101(10)(A) of the Act. Furthermore, the State must submit to the U.S. Department of Education, within 60 days of its grant award, the most current applicable maintenance of effort data available. We will be providing States with further information about this submission.

The Ed Jobs funds are subject to the requirements of the Cash Management Improvement Act. States must draw down funds in a manner consistent with their drawdown procedures under other Federal programs. As noted in the program guidance, a State must have an effective system for managing the flow of funds that ensures that entities are able to draw down funds as needed to pay program costs but that also minimizes the time that elapses between the transfer of the funds and their disbursement by the grantee or subgrantee.

Enclosed is your Grant Award Notice (GAN) for the Ed Jobs (CFDA No. 84.410) funds. These funds are subject to the requirements in section 101 of the Act and other applicable statutes and regulations, the assurances in your application for funding, and the terms and conditions detailed in "Attachment T" of the GAN.

www.ed.gov

400 MARYLAND AVE., SW, WASHINGTON, DC 20202

The Department of Education's mission is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access.

Detailed information about the program is available on our website at <http://www2.ed.gov/programs/educationjobsfund/applicant.html>. If you have any questions about the attached award notice or the program, please feel free to contact Dr. Joseph Conaty at (202) 260-8230 or have your staff send an email to edjobsfund@ed.gov and we will respond promptly.

We look forward to working with you in the implementation of the Ed Jobs program.

Sincerely,



Thelma Meléndez de Santa Ana, Ph.D.

Enclosure



U.S. Department of Education
Washington, D.C. 20202

GRANT AWARD NOTIFICATION

PR/AWARD NUMBER: S410A100003

RECIPIENT NAME: Arizona Governor's Office of Economic Recovery

TERMS AND CONDITIONS

- (1) (1) Under the Tydings Amendment, Section 421(b) of the General Education Provisions Act, 20 USC 1225(b), any funds that are not obligated at the end of the Federal funding period specified in Block 6 shall remain available for obligation for an additional period of 12 months.
- (2) This grant is made subject to the information in the approved State application and the applicable statutes and the regulations, including the Section 101 of Public Law number 111-226, the General Education Provisions Act (GEPA), and the Education Department General Administrative Regulations (EDGAR).
- (3) This award is subject to the terms and conditions (if any) in Attachment T.

AUTHORIZING OFFICIAL

SEP 13 2010

DATE



U.S. Department of Education
Washington, D.C. 20202

GRANT AWARD NOTIFICATION

1	RECIPIENT NAME: Arizona Governor's Office of Economic Recovery State Capitol 1700 West Washington Phoenix, AZ 85007	5	AWARD INFORMATION PR/AWARD NUMBER S410A100003 ACTION NUMBER 01 ACTION TYPE New AWARD TYPE Formula																					
2	PROJECT DESCRIPTION 84.410A EDUCATION JOBS FUND	6	AWARD PERIODS BUDGET PERIOD 08/10/2010 - 09/30/2011 FEDERAL FUNDING PERIOD 08/10/2010 - 09/30/2011																					
3	EDUCATION STAFF RECIPIENT STATE DIRECTOR James Apperson (602) 542 - 6402 EDUCATION PROGRAM CONTACT James Butler (202) 260 - 9737 EDUCATION PAYMENT CONTACT GAPS PAYEE HOTLINE (888) 336 - 8930	7	AUTHORIZED FUNDING CURRENT AWARD AMOUNT \$211,824,489.00 PREVIOUS CUMULATIVE AMOUNT \$0.00 CUMULATIVE AMOUNT \$211,824,489.00																					
4	KEY PERSONNEL N/A	8	ADMINISTRATIVE INFORMATION DUNS/SSN 829811475 REGULATIONS EDGAR AS APPLICABLE ATTACHMENTS A, E4, E5, F, N, S, U, V																					
9	LEGISLATIVE AND FISCAL DATA AUTHORITY: PL 111-226 EDUCATION JOBS FUNDS PROGRAM TITLE: EDUCATION JOB FUNDS CFDA/SUBPROGRAM NO: 84.410A <table border="1"><thead><tr><th>FUND CODE</th><th>FUNDING YEAR</th><th>AWARD YEAR</th><th>ORG. CODE</th><th>CATEGORY</th><th>LIMITATION</th><th>ACTIVITY</th><th>CFDA</th><th>OBJECT CLASS</th><th>AMOUNT</th></tr></thead><tbody><tr><td>0012M</td><td>2010</td><td>2010</td><td>ES000000</td><td>B</td><td>DJ1</td><td>000</td><td>410</td><td>4101A</td><td>\$211,824,489.00</td></tr></tbody></table>				FUND CODE	FUNDING YEAR	AWARD YEAR	ORG. CODE	CATEGORY	LIMITATION	ACTIVITY	CFDA	OBJECT CLASS	AMOUNT	0012M	2010	2010	ES000000	B	DJ1	000	410	4101A	\$211,824,489.00
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EXPLANATION OF BLOCKS ON THE GRANT AWARD NOTIFICATION

For Discretionary, Formula, and Block Grants

(See Block 5 of the Notification)

- 1. RECIPIENT NAME** - The legal name of the recipient, name of the primary organizational unit that will undertake the funded activity, and the complete address of the recipient. The recipient is commonly known as the "grantee."
- 2. PROJECT TITLE AND CFDA NUMBER** - Identifies the Catalog of Federal Domestic Assistance (CFDA) subprogram title and the associated subprogram number.
- 3. PROJECT STAFF** - This block contains the names and telephone numbers of the U.S. Department of Education and recipient staff who are responsible for project direction and oversight.
 - *RECIPIENT PROJECT DIRECTOR** - The recipient staff person responsible for administering the project. This person represents the recipient to the U.S. Department of Education.
 - EDUCATION PROGRAM CONTACT** - The U.S. Department of Education staff person responsible for the programmatic, administrative and business-management concerns of the Department.
 - EDUCATION PAYMENT CONTACT** - The U.S. Department of Education staff person responsible for payments or questions concerning electronic drawdown and financial expenditure reporting.
- 4.* KEY PERSONNEL** - Name, title and percentage (%) of effort the key personnel identified devotes to the project.
- 5. AWARD INFORMATION** - Unique items of information that identify this notification.
 - PR/AWARD NUMBER** - A unique, identifying number assigned by the Department to each application. On funded applications, this is commonly known as the "grant number" or "document number."
 - ACTION NUMBER** - A numeral that represents the cumulative number of steps taken by the Department to date to establish or modify the award through fiscal or administrative means. Action number "01" will always be "NEW AWARD"
 - ACTION TYPE** - The nature of this notification (e.g., NEW AWARD, CONTINUATION, REVISION, ADMINISTRATIVE)
 - AWARD TYPE** - The particular assistance category in which funding for this award is provided, i.e., DISCRETIONARY, FORMULA, or BLOCK.
- 6. AWARD PERIODS** - Project activities and funding are approved with respect to three different time periods, described below:
 - BUDGET PERIOD** - A specific interval of time for which Federal funds are being provided from a particular fiscal year to fund a recipient's approved activities and budget. The start and end dates of the budget period are shown.
 - PERFORMANCE PERIOD** - The complete length of time the recipient is proposed to be funded to complete approved activities. A performance period may contain one or more budget periods.
 - *FUTURE BUDGET PERIODS** - The estimated remaining budget periods for multi-year projects and estimated funds the Department proposes it will award the recipient provided substantial progress is made by the recipient in completing approved activities, the Department determines that continuing the project would be in the best interest of the Government, Congress appropriates sufficient funds under the program, and the recipient has submitted a performance report that provides the most current performance information and the status of budget expenditures.
- 7. AUTHORIZED FUNDING** - The dollar figures in this block refer to the *Federal* funds provided to a recipient during the award periods.
 - *THIS ACTION** - The amount of funds obligated (added) or de-obligated (subtracted) by this notification.
 - *BUDGET PERIOD** - The total amount of funds available for use by the grantee during the stated budget period to this date.
 - *PERFORMANCE PERIOD** - The amount of funds obligated from the start date of the first budget period to this date.
 - RECIPIENT COST-SHARE** - The funds, expressed as a percentage, that the recipient is required to contribute to the project, as defined by the program legislation or regulations and/or terms and conditions of the award.
 - RECIPIENT NON-FEDERAL AMOUNT** - The amount of non-federal funds the recipient must contribute to the project as identified in the recipient's application. When non-federal funds are identified by the recipient where a cost share is not a legislation requirement, the recipient will be **required** to provide the non-federal funds.
- 8. ADMINISTRATIVE INFORMATION** - This information is provided to assist the recipient in completing the approved activities and managing the project in accordance with U.S. Department of Education procedures and regulations.
 - DUNS/SSN** - A unique, identifying number assigned to each recipient for payment purposes. The number is based on either the recipient's assigned number from Dun and Bradstreet or the individual's social security number.
 - *REGULATIONS** - The parts of the Education Department General Administrative Regulations (EDGAR) and specific program regulations that govern the award and administration of this grant.
 - *ATTACHMENTS** - Additional sections of the Grant Award Notification that discuss payment and reporting requirements, explain Department procedures, and add special terms and conditions in addition to those established, and shown as clauses, in Block 10 of the award. Any attachments provided with a notification continue in effect through the project period until modified or rescinded by the Authorizing Official.
- 9. LEGISLATIVE AND FISCAL DATA** - The name of the authorizing legislation for this grant, the CFDA title of the program through which funding is provided, and U.S. Department of Education fiscal information.
 - FUND CODE, FUNDING YEAR, AWARD YEAR, ORG. CODE, PROJECT CODE, OBJECT CLASS**
 - The fiscal information recorded by the U.S. Department of Education's Grant Administration and Payment System to track obligations by award.
 - AMOUNT** - The amount of funds provided from a particular appropriation and project code. Some notifications authorize more than one amount from separate appropriations and/or project codes. The total of all amounts in this block equals the amount shown on the line, "THIS ACTION" (See "AUTHORIZED FUNDING" above (Block 7)).
- 10. TERMS AND CONDITIONS OF AWARD** - Requirements of the award that are binding on the recipient.
 - *AUTHORIZING OFFICIAL** - The U.S. Department of Education official authorized to award Federal funds to the recipient, establish or change the terms and conditions of the award, and authorize modifications to the award.

FOR FORMULA AND BLOCK GRANTS ONLY:

(See also Blocks 1, 2, 5, 6, 8, 9 and 10 above)

- 3. EDUCATION STAFF** - The U.S. Department of Education staff persons to be contacted for programmatic and payment questions.
- 7. AUTHORIZED FUNDING**
 - CURRENT AWARD AMOUNT** - The amount of funds that are obligated (added) or de-obligated (subtracted) by this action.
 - PREVIOUS CUMULATIVE AMOUNT** - The total amount of funds awarded under the grant before this action.
 - CUMULATIVE AMOUNT** - The total amount of funds awarded under the grant, this action included.

* This item differs or does not appear on formula and block grants.



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE CHIEF FINANCIAL OFFICER
& CHIEF INFORMATION OFFICER

September 10, 2010

James Apperson
Arizona Governor's Office of Economic Recovery
State Capitol
1700 West Washington
Phoenix, AZ 85007

SUBJECT: Payee Verification for Grant Award S410A100003

This is to inform you of the payee for the above listed grant award issued by the United States Department of Education.

Grantee DUNS/SSN: 829811475
Grantee Name: Arizona Governor's Office of Economic Recovery

Payee DUNS/SSN: 829811475
Payee Name: Office Of The Govenor, Arizona Office Of Economic Recovery, The

If any of the above information is not correct, please contact a Payee Customer Support Representative at 1-888-336-8930. Please send all correspondence relating to payee or bank information changes to the following address:

U.S. Department of Education
400 Maryland Ave, SW
Room 4C138
Washington, DC 20202

Attn: Claudia Staplefoote
Phone: (202) 401-1117
Fax: (202) 260-5505

INSTRUCTIONS
ACH DIRECT DEPOSIT SIGN-UP FORM
(SF-1199A)

Recipients can obtain an SF-1199A (Figure D-1) from their financial institution. The preprinted instructions on the reverse side of the SF-1199A should be disregarded and the following instructions should be followed in completing the SF-1199A.

The recipient is to complete Sections 1 and 2 of the SF-1199A. The recipient's financial institution is to complete Section 3 and mail the completed form to the Department of Education. The financial institution will mail a copy of the completed SF-1199A to the recipient.

INSTRUCTIONS - SECTION 1

ITEM A	Name of Payee Address Telephone Number	Enter the name and address of payee's organization. Enter telephone number of person authorized to certify the payment request.
ITEM B	Name of Person(s) Entitled to Payment	Leave Blank.
ITEM C	Claim or Payroll ID Number	Enter the following information: Prefix: 9 digit D-U-N-S Number, Suffix: 11 character Grant Award Number.
ITEM D	Type of Depositor	Place an "X" in the Appropriate Box.
ITEM E	Depositor Account	Enter the payee's account number at the financial institution in which funds are to be deposited. Include blanks or dashes when entering the account number.
ITEM F	Type of Payment	Enter "X" in the "Other" box.
ITEM G	Box for Allotment of Payment Only	Leave Blank.
Payee/Joint Certification		Authorized Certifying Official for the payee is to sign the form.

INSTRUCTIONS - SECTION 2

Government Agency Name	Enter:	U.S. Department of Education
Government Agency Address	Enter:	400 Maryland Avenue, SW Room 4C138 Washington, DC 20202

INSTRUCTIONS - SECTION 3

To be completed by financial institution.

Dear G5 Payee:

To obtain your G5 Login ID, you will need to complete the G5 External User Access Request Form and return it notarized to the U.S. Department of Education. Attached are the instructions for accessing and completing the form. Upon receiving the notarized form, the Department will send you an email with your new G5 Login ID.

Thank you for your continued support of the U.S. Department of Education's G5 Grant Management System. Please contact the G5 Hotline (888-336-8930) if you have any questions.

Sincerely,
G5 Administration

Instructions for Completing the G5 External User Access Request Form

To establish direct access to your U.S. Department of Education G5 Grant Management System account, please complete the G5 External User Access Request Form attached, have it notarized, and mail the completed form to the address below.

Steps for Completing the G5 External User Access Request Form –

1. Go to www.g5.gov and click on the link, “Not Registered? Sign up”.
2. Complete each data element of the form including the following elements:
 - a. User Type (Select Payee unless you are specifically a Servicer)
 - b. Central Contractor Registry Number
 - c. Desired Role (Select Full Access to enable you to continue to draw funds, or View Only if you will only need to review account activity).
3. Print the form and then Submit your online registration.
4. You will immediately receive an email asking you to activate your account.
5. Click on the link in the email and select your password and Secret Question and Answer.
6. Congratulations! You now have an active account. Only one more step!!
7. Sign the printed (from step 3) G5 External User Access Request Form as the Authorized Payee in the presence of a Notary Public.
8. Assure the G5 External User Access Request Form is notarized with appropriate seal and signature and expiration date.
9. Mail the completed, notarized G5 External User Access Request Form to the following address:

**U.S. Department of Education
Office of the Chief Information Officer
Mail Stop - 4110
400 Maryland Avenue, SW
Washington DC 20202
Attn: Functional Applications Team**

10. Allow two weeks for delivery and account updates.
11. You will receive Email notification that your G5 External User Access Request Form has been processed and your roles have been assigned.
12. Congratulations, You're now able to access G5 directly.

As always, please contact the G5 Hotline (888-336-8930) with any questions.

S410A100003

James Apperson
Arizona Governor's Office of Economic Recovery

S410A100003

Janice K. Brewer
Arizona Governor's Office of Economic Recovery
State Capitol
1700 West Washington
Phoenix, AZ 85007

SPECIAL GRANT CONDITIONS FOR PAYMENTS

THE G5 PAYMENTS MODULE

Payments under this award will be made through the G5-Payments module of, the U.S. Department of Education's (Department) electronic payments.. The G5paymentmodule and other web-based grant systems (e-Application, e-Reader, e-Reports,) (modules) within the Education Central Automated Processing Systems (EDCAPS) are administered by the Office of the Chief Information Officer, Financial Systems Services.

The internet address for G5 is <https://www.g5.gov>. To access the G5 Payments module, you must first have a G5 User Id and Password. You'll need to request a G5 User Id and Password from the Department of Education by submitting an **External Access Security Form**. This form is electronically available during online registration under "Not Registered? Sign Up", when you access the website. The Department will issue G5 User Ids and Passwords to those individuals authorized by the payee to access G5 to request funds and report expenditures. User Ids and Passwords cannot be faxed or given over the phone, and may not be shared by multiple users. The External User Access Request Form must be completed and mailed to the following address:

U.S. Department of Education
Office of the Chief Information Officer
Mail Stop – 4110
Attn: G5 Functional Application Team
400 Maryland Avenue, SW
Washington, DC 20202

New grantees will be requested to provide pertinent information before they may begin requesting funds. Information to be provided includes:

- Designation of payee
- Payee contacts and mailing addresses
- Depositor account information
- Individuals authorized by the payee to access G5 to request funds - these individuals will be provided User Ids and passwords to access G5

The payee is the entity identified by the grantee to handle the financial aspects of the grant – e.g., request payments, report expenditures (the grantee and payee may be the same entity). Payees may begin requesting funds for the grantee once their award authorization is entered into G5 and the award start date is reached.

A copy of the Department of Education G5 Training Guide (Guide), is available on the G5 website under "Help". The guide provides detailed instructions on all electronic payment processes. If you are not Internet capable, please contact the G5/GAPS Payee Hotline at toll free 1 (888) 336-8930 to request a hard copy of the Guide.

REQUESTING FUNDS USING THE G5 MODULE

Payees can access the G5-Payments Module on-line to request funds. To access, payees need a Web browser (such as Microsoft Internet Explorer or Netscape Navigator) and Internet connectivity. Payees will request funds by award using the **PR/Award Number** found in **Block 5** of the **Grant Award Notification**. Instructions for navigating through the G5-Payments screens to make a payment request are given in the G5 Training Guide and the G5 OnDemand training located under "Help". Instructions for modifying payment requests, adjusting drawdown amounts, and viewing award and authorization histories are also included in the Guide.

Those payees who do not have the technology to access G5-Payments on-line may request funds by calling ED's G5/GAPS Payee Hotline by calling 1-888-336-8930.

AWARD INFORMATION

Payees can get information on this award (1) on-line or (2) by calling ED's G5/GAPS Payee Hotline Staff at 1-888-336-8930.

On-Line:

Payees may access G5 via the Internet (<https://www.G5.gov>) to retrieve and view information on their awards, such as:

- Net authorization and authorization history
- Net draws
- Available balance
- History of pending and completed payments
- Award status
- Award history - including detailed transactions on drawdowns, returns, refunds, and adjustments

ED's GAPS Payee Hotline Staff:

Payees can contact a G5/GAPS Payee Hotline Staff for information on any award. Because award information is organized in G5 by a unique identifier - the Dun & Bradstreet Number (DUNS Number) - payees should have their DUNS number, identified in **Block 8** of the **Grant Award Notification**, available when contacting a G5/GAPS Payee Hotline Staff Representative.

FINANCIAL REPORTS:

When a Payee requests a drawdown of funds by grant award, the Department records this as an expenditure against the specific grant award. This method of identifying expenditures, at the time of drawdown, and the capability to make adjustments on-line eliminates the need for the submission of the Federal Cash Transactions Report Form 272. Therefore, no additional financial reporting will be required unless required by a specific program.

(10/2009)

MEMORANDUM

June 15, 2010

To: Recipients of grants and cooperative agreements

From: Thomas Skelly, Delegated to Perform Functions of Chief Financial Officer

Subject: Department of Education Cash Management Policies for Grants and Cooperative Agreements

The purpose of this memorandum is to remind the Department of Education's (the Department's) grant and cooperative agreement recipients (recipients) of existing cash management requirements regarding payments. The Department expects that recipients will ensure that subrecipients are also aware of these policies by forwarding a copy of this memorandum to them.

There are two different sets of payment requirements that apply to the draw of funds from recipient accounts at the Department. Payments to a State under programs covered by a State's Treasury State Agreement (TSA) are subject to the requirements of the *Cash Management Improvement Act of 1990 (CMIA)* as published in 31 United States Code 6503.

All other payments to States and all payments to other types of recipients are subject to the requirements in either 34 Code of Federal Regulation (CFR) Part 74, applicable to nongovernmental entities, or 34 CFR Part 80, applicable to State, local, and Indian tribal governments. These regulations are part of the Education Department General Administrative Regulations (EDGAR) and are available on the Web at http://www.access.gpo.gov/nara/cfr/waisidx_08/34cfrv1_08.html.

CMIA Requirements

States that draw funds under programs subject to the *CMIA* must draw funds as required under the TSA for the State. If a State draws funds under one of these programs to make payments to a subrecipient, the payment request to the Department should only be made at the request of the subrecipient, which must make draw requests to the State as required under the requirements in EDGAR, as described below.

EDGAR Requirements

Payments to States under programs not covered by the State's TSA and payments to other governments are subject to the requirements in Part 80 of EDGAR. These payment requirements also apply to all other types of recipients under Part 74 of EDGAR, which applies to nonprofit organizations, institutions of higher education, hospitals, and

commercial organizations. States that draw funds on behalf of subrecipients under programs not covered by a TSA should remind subrecipients that they may only request funds from the State under the payment standards in Part 74 or Part 80, as applicable.

For any cash drawn from your program or project account at the Department:

- Recipients must minimize the time between the recipient's draw down of funds from its grant account at the Department and the time the recipient disburses those funds to payees via electronic transfer, check redemption or other means of transfer. See 34 CFR 74.22(a) and 80.21(b). Specifically, recipients may only draw funds to meet the immediate cash needs of the grant or cooperative agreement.
- For recipients subject to Part 74 of EDGAR, unless the conditions described in 34 CFR Part 74 Section 22(k) exist, these recipients must deposit advances of Federal funds in interest bearing accounts.
- Recipients subject to Part 74 of EDGAR must return to the U.S. Department of Health and Human Services (HHS) the interest earned on advances of grant funds except that the recipient may retain up to \$250 of interest earned on the account each year to pay for the costs of maintaining the account. These requirements also apply to subrecipients subject to Part 74 Section 22 (l) which requires these recipients and subrecipients to annually remit interest earned on advances of funds. The address for interest remittances to HHS is:

U.S. Department of Health and Human Services
P.O. Box 6120
Suite 1133
Rockville, MD 20852

The remittance should be accompanied by a letter stating that the remittance is for "interest earned on Federal funds" and should include the DUNS number.

- Recipients subject to Part 80 of EDGAR must return to the Department the interest earned on advances of grant funds except that the recipient may retain up to \$100 of interest earned on the account each year to pay for the costs of maintaining the account. Section 80.21(i) requires these recipients to promptly (at least quarterly) remit interest earned on advances to the Department. These requirements also apply to subrecipients subject to Part 80. The address for interest remittances to the Department is:

U.S. Department of Education
P.O. Box 979053
St. Louis, MO 63197-9000

The remittance should be accompanied by a letter stating that the remittance is for "interest earned on Federal funds" and should include the DUNS number.

- Recipients must use grant funds only for obligations incurred during the funding period.
- Recipients must distribute Federal funds to subrecipients only when requested by the subrecipient and as needed to pay program costs.

Recipients have other responsibilities regarding the use of Federal funds. We highlight the following practices related to the draw of Federal funds that are either required by EDGAR or will assist recipients in meeting their responsibilities under EDGAR.

- Recipients must regularly monitor the payment requests made by their subrecipients to ensure that those requests conform to the same payment requirements that apply to the recipient. See 34 CFR Part 80 Section 20(b)(7);
- Recipients must regularly monitor the fiscal activity of their subrecipients on a continuous basis and ensure that their subrecipients return interest earned;
- If expenditures under the program or project require the recipient's board or specified officials to approve expenditures, the recipient should obtain that approval before making the payment request for any expenditure, thus minimizing the period of time that funds remain in the recipient's bank account pending disbursement of the funds for expenditures under the program or project. See 34 CFR 74.21(b)(5) and 80.22(a); and
- Plan carefully for cash flows for your grant project and review projected cash requirements before each drawdown. See 34 CFR 74.21 and 74.22 or 80.20 and 80.21, as applicable.

Recipients that do not follow the cash management requirements applicable to their grants could be:

- Placed on a "cash-reimbursement" payment method, i.e., a recipient would have to pay for grant activities with its own money and submit documentation of the expenditures to the Department before receiving reimbursement from the Department;
- Designated a "high-risk" recipient under 34 CFR 74.14 or 80.12, as applicable, which may involve the imposition of conditions in addition to that of being placed on a reimbursement payment system;
- Subjected to further corrective action, including withholding of funds, suspension, and termination of the award. See 34 CFR 74.62 or 80.43, as applicable;

- Denied funding under future Department discretionary grant competitions. See 34 CFR Part 75 Section 217(d)(3)(ii); and
- Debarred or suspended under 34 CFR Part 85 from receiving future Federal awards from any executive agency of the Federal government.

A small number of ED grant programs have program-specific cash management and payment requirements based on the authorizing legislation or program regulations. These program-specific requirements may supplement or override the general EDGAR cash management or payment requirements. If you have any questions about your specific grant, please contact the program officer, whose contact information is on your Grant Award Notification (GAN).

ED's Office of the Chief Financial Officer will provide ongoing outreach efforts regarding cash management and payment requirements, including supplementary webinars, URL links and Frequently Asked Question sheets.

Thank you for your attention to this matter. If you have any questions, please contact Cynthia Heath at (202) 245-8043 or cynthia.heath@ed.gov

ENCLOSURE 5

Recipients of ED Grants and Cooperative Agreements Frequently Asked Questions

Q What are the Federal Laws and Regulations on cash management?

A The Cash Management Improvement Act of 1990 (CMIA) is the overriding public law for cash management. It was enacted by Public Law 101-453, 31 U.S.C. 3335 and 6503. The implementing regulations are in Title 31 of the Code of Federal Regulations (CFR), Part 205, <http://www.fms.treas.gov/fedreg/31cfr205final.pdf>. In addition, the Education Department General Administrative Regulations (EDGAR) defines the CFR specific to administering the U.S. Department of Education's (the Department's) grants in 34 CFR, Part 74 and Part 80, http://www.access.gpo.gov/nara/cfr/waisidx_08/34cfrv1_08.html.

Q What are the CMIA requirements?

A States that draw funds under programs subject to the CMIA must draw funds as required under the Treasury-State Agreement (TSA) for the State. If a State draws funds under one of these programs to make payments to a subrecipient, the payment request to the Department should only be made at the request of the subrecipient, which must make draw requests to the State as required under the requirements in EDGAR.

Q What are the Education Department General Administrative Regulations (EDGAR) requirements?

A Payments to States and other governments under programs not covered by the State's TSA and payments to other governments are subject to the requirements in Part 80 of EDGAR. These payment requirements also apply to all other types of recipients under Part 74 of EDGAR, which applies to nonprofit organizations, institutions of higher education, hospitals, and commercial organizations. States that draw funds on behalf of subrecipients under programs not covered by a TSA should remind subrecipients that they may only request funds from the State under the payment standards in Part 74 or Part 80, as applicable. The EDGAR is available on the Web at http://www.access.gpo.gov/nara/cfr/waisidx_08/34cfrv1_08.html.

Q What is a Treasury-State Agreement (TSA)?

A A TSA documents the accepted funding techniques and methods for calculating interest agreed upon by the U.S. Department of the Treasury (Treasury) and a State. It also identifies the Federal assistance programs. The CMIA's implementing regulations at 31 CFR 205 will govern if there are any inconsistencies. A TSA will be effective until terminated, unless Treasury and a State agree to a specific termination date. Treasury or a State may terminate a TSA with 30 days written notice.

Q What if there is no TSA?

A When a State does not have a TSA in effect, default procedures will be prescribed to implement 34 CFR, subpart A. The default procedures will prescribe efficient funds transfer procedures consistent with State and Federal law and identify the covered Federal assistance programs and designated funding techniques. When the Department and a State reach agreement on some but not all Federal assistance programs administered by the State, the Department and the State may enter into a TSA for all programs on which we are in agreement and we may prescribe default procedures governing those programs on which we are unable to reach agreement.

Q What is a Federal-State Agreement?

A A Federal-State Agreement is an agreement between a State and a Federal Program Agency specifying terms and conditions for carrying out a Federal assistance program or group of programs. This is different from a TSA.

Q Who is responsible for Cash Management?

A The Department's grant and cooperative agreement recipients (recipients) are charged with the administration of Federal funds. In addition, recipients are responsible for ensuring that subrecipients are aware of cash management policies. For more information, see the recently issued Memorandum from the Chief Financial Officer on Cash Management which is posted on the ed.gov "ED Memoranda to Grantees" page at <http://www2.ed.gov/policy/fund/guid/gposbul/gposbul.html>.

Q Who is responsible for monitoring cash drawdowns to ensure compliance with cash management policies?

A Recipients must monitor their cash drawdowns and their subrecipients to assure substantial compliance to the standards of timing and amount of advances. Additionally, when considered necessary and feasible by the Federal agency, recipients may be required to report the amount of cash advances in excess of three days' needs in their hands and of their subrecipients and to provide short narrative explanations of actions taken by the recipient to reduce the excess balances.

Q How soon may I draw down funds from the G5 grants management system (G5 replaced E-Payments in December 2007)?

A Grantees are required to minimize the amount of time between the drawdown and the use of funds from their bank accounts. (See EDGAR §74.21-22 and §80.20-21.) Funds must be drawn only to meet a grantee's immediate cash needs for each individual grant. Each time you use the G5 system to draw down a payment you check a box certifying that you are adhering to cash management

requirements and that the funds will be spent within 3 days. The G5 screen displays the following message: I certify, by processing this payment request and/or re-allocation, that the funds are being expended within three business days of receipt for the purpose and condition of the agreement.

Q How may I use Federal funds?

A Federal funds must be used as specified in the Grant Award Notification (GAN).

Q What if I used Federal funds for other than the specific purpose for which it was given?

A This will be deemed a disallowed expenditure, and funds (including any earned interest) must be returned to the Department.

Q What are excess cash balances?

A Excess cash balances are funds maintained at the recipient/subrecipient's level in excess of immediate (usually 3 days) needs. Excess cash balances must be promptly withdrawn from account and returned to the Department.

Q What are the consequences to recipients/subrecipients for not complying with terms of the grant award?

A If a recipient or subrecipient materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, EDGAR, an assurance, a cooperative agreement, a TSA, an application, a notice of award, or elsewhere, the awarding agency may take one or more of the following actions:

- (1) Temporarily withhold cash payments pending correction of the deficiency by the recipient or subrecipient or more severe enforcement action by the awarding agency,
- (2) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
- (3) Wholly or partly suspend or terminate the current award for the recipient's or subrecipient's program,
- (4) Withhold further awards for the program, or
- (5) Take other remedies that may be legally available.

Q Who is responsible for determining the amount of interest owed to the Department?

A As set forth in 31 CFR 205.9, a TSA must include the method a State uses to calculate and document interest liabilities. A State must calculate and report interest liabilities on the basis of its fiscal year. A State must ensure that its interest calculations are auditable and retain a record of the calculations. A non-State entity must keep track of any interest earned on Federal funds and

promptly remit it to the government. Also, see the June 15, 2010, memorandum from the Department's Chief Financial Officer on Department of Education Cash Management Policies for Grants and Cooperative Agreements posted at <http://www2.ed.gov/policy/fund/guid/gposbul/gposbul.html>.

Q How is interest earned on Federal funds calculated?

A If you earn interest on Federal funds, you must return the actual amount earned to the Department. If the disbursement arrangement is subject to a TSA, then the recipient must adhere to the interest calculation method specified in the TSA. Recipients that are not subject to a TSA (non-TSA recipients), along with subrecipients, must return actual interest earned on cash balances to the Department. In some cases, non-TSA recipients or subrecipients may not be able to readily identify the actual amount and must calculate the interest earned on Federal cash balances. For these cases, here are some guiding principles for non-TSA recipients and subrecipients to consider when performing interest calculations:

- Non-TSA recipients and subrecipients should calculate interest earned on Federal cash balances using the same method that was used to determine their interest earnings on cash balances from all sources. For example, Federal interest should be calculated using the average daily balance method if this method was used to calculate interest on Federal and non-Federal cash balances (all sources).
- Federal interest should be calculated using the same interest rate at which the non-TSA recipient or subrecipient earned interest on cash balances from all sources. Because interest earned on Federal cash balances must be calculated and remitted quarterly, the rate used in these calculations should be the applicable rate for that quarter.
- The amount of interest earnings remitted to the Department should not be reduced in order to compensate for the temporary use of other non-Federal cash resources to pay Federal program costs. This is true whether the non-TSA recipient or subrecipient normally receives Federal funds through an advance or reimbursement funding method.

Q May we keep interest earned on Federal funds?

A A recipient/subrecipient subject to EDGAR 34 CFR Part 74 may keep up to \$250/year of interest earned on excess Federal fund advances to cover administrative costs. All other amounts must be returned to the Department of Health and Human Services.

A recipient/subrecipient subject to EDGAR 34 Part 80 may keep up to \$100/year of interest earned on excess Federal fund advances to cover administrative costs. All other amounts must be returned to the Department of Education.

Q Where should I return interest earned on Federal funds?

A Recipients subject to Part 74 of EDGAR must return to the U.S. Department of Health and Human Services (HHS) the interest earned on advances of grant funds except that the recipient may retain up to \$250 of interest earned on the account each year to pay for the costs of maintaining the account. These requirements also apply to subrecipients subject to Part 74 Section 22 (I), which requires these recipients and subrecipients to annually remit interest earned on advances of funds.

The address for interest remittances to HHS is:

U.S. Department of Health and Human Services
P.O. Box 6120, Suite 1133
Rockville, MD 20852

Recipients subject to Part 80 of EDGAR must return to the Department the interest earned on advances of grant funds except that the recipient may retain up to \$100 of interest earned on the account each year to pay for the costs of maintaining the account. Section 80.21(i) requires these recipients to promptly (at least quarterly) remit interest earned on advances to the Department. These requirements also apply to subrecipients subject to Part 80.

The address for interest remittances to the Department is:

U.S. Department of Education
P.O. Box 979053
St. Louis, MO 63197-9000

Q What information should accompany my interest payment?

A Recipient/subrecipient should note their DUNS number as well as any other identifiable information specific to the award and the recipient/subrecipient.

Q Are grant recipients/subrecipients automatically permitted to draw funds in advance of the time they need to disburse funds in order to liquidate obligations?

A No. Section 80.21 of the EDGAR prescribes several methods a recipient may use to make payments to subrecipients. The State educational agency as the recipient, however, has the authority to determine which method it will use to make payments to its subrecipients within the State.

Q For formula grant programs such as ESEA Title I, for which States distribute funds to LEAs, may States choose to pay LEAs on a reimbursement basis?

A Yes. Section 80.21 of the EDGAR authorizes States to implement a payment

system in which LEAs are reimbursed monthly; quarterly; or, in some cases, semi-annually. A reimbursement process is a State choice and not mandated by ED. Section 80.21 of EDGAR also allows recipients and subrecipients to be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the recipient or subrecipient.

Q What are the exceptions to adhering to cash management requirements?

A A small number of ED grant programs have program-specific cash management and payment requirements based on the authorizing legislation or program regulations. These program-specific requirements may supplement or override the general EDGAR cash management or payment requirements. If you have any questions about your specific grant, please contact the program officer, whose contact information is on your Grant Award Notification (GAN).

Q Will the Department issue special procedures in advance if G5 plans to shut down for 3 days or more?

A Yes, the Department will issue special guidance for drawing down funds during a G5 shut down period of 3 days or more. The guidance will include cash management improvement act procedures for States and certain State institutions of higher education and procedures for grants (including Pell grants) that are not subject to CMIA. Early notice is provided to all grantees to plan accordingly.

Attachment F

Request for Approval of Program Income

In projects that generate program income ¹⁰⁾, the recipient calculates the amount of program income according to the guidance given in:

- 34 CFR 74.20(f) [institutions of higher education, nonprofit organizations, and hospitals]; or
- 34 CFR 80.25(c) [State and local governments and Federally recognized Indian tribes].

Unless checked below as NOT ALLOWED, the recipient may exercise any of the options or combination of options, as provided in EDGAR ¹¹⁾, for using program income generated in the course of the recipient's authorized project activities:

_____ Not Allowed Adding program income to funds committed to the project by the Secretary and recipient and using it to further eligible project or program objectives;

_____ Not Allowed Using program income to finance the non-Federal share of the project or program; and

_____ Not Allowed Deducting program income from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based.

¹⁰⁾ As defined in §74.2 and §80.25(b) of the Education Department General Administrative Regulations (EDGAR)

¹¹⁾ 34 CFR 74.24(a)-(h) [Institutions of higher education, nonprofit organizations, and hospitals]; or 34 CFR 80.25(a)-(h) [State and local governments and Federally-recognized Indian tribes]

Trafficking in Persons

The Department of Education adopts the requirements in the Code of Federal Regulations at 2 CFR 175 and incorporates those requirements into this grant through this condition. The grant condition specified in 2 CFR 175.15(b) is incorporated into this grant with the following changes. Paragraphs a.2.ii.B and b.2.ii. are revised to read as follows:

"a.2.ii.B. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 34 CFR part 85."

"b.2.ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 34 CFR part 85."

Under this condition, the Secretary may terminate this grant without penalty for any violation of these provisions by the grantee, its employees, or its subrecipients.

ATTACHMENT S

SPECIAL CONDITIONS FOR DISCLOSING FEDERAL FUNDING IN PUBLIC ANNOUNCEMENTS

When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds included in this Act, including but not limited to State and local governments and recipients of Federal research grants, shall clearly state

- (1) the percentage of the total costs of the program or project which will be financed with Federal money;
- (2) the dollar amount of Federal funds for the project or program; and
- (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

Recipients must comply with these conditions under Public Law 111-8, the "Omnibus Appropriations Act, 2009", DIVISION F —DEPARTMENTS OF LABOR, HEALTH AND HUMAN SERVICES, AND EDUCATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 2009, Title V—General Provisions, Sec. 506, March 11, 2009.

ATTACHMENT T

A. Award Term – Maintenance-of-Effort Data

The State will comply with the maintenance-of-effort (MOE) requirements in section 101 (10)(A) of the Act and, within 60 days of the date of the State's grant award, submit to the U.S. Department of Education (Department) the most current applicable MOE data available.

B. Award Term—Reporting and Registration Requirement under Section 1512 of the American Recovery and Reinvestment Act of 2009, Public Law 111-5

- (a) This award requires the recipient to complete projects or activities which are supported with funds awarded under the Education Jobs Fund (Ed Jobs) program, which is authorized under Section 101 of P.L. No. 111-226 ("the Act"), and to report on the use of Ed Jobs funds. Information from these reports will be made available to the public.
- (b) The first report is due no later than ten calendar days after the initial calendar quarter in which the recipient receives the assistance award funded by the Act. Thereafter, reports shall be submitted no later than the 10th day after the end of each calendar quarter.
- (c) Recipients and their first-tier subrecipients must maintain current registrations in the Central Contractor Registration (www.ccr.gov) at all times during which they have active federal awards funded with Ed Jobs funds.
- (d) The recipient shall report the information described in section 1512(c) using the reporting instructions and data elements that will be provided online at www.FederalReporting.gov, and will provide any additional information required by the Department, unless the information is pre-populated in www.FederalReporting.gov and in any additional form required by the Department. At a minimum, grantees should anticipate reporting:
 - the total amounts of Ed Jobs funds received and expended or obligated;
 - the name, description, and evaluation of the project or activity's completion status; and
 - an estimate of the number of jobs that were saved or created with the funds.

C. Award Term—Reporting of Fraud and Misconduct

Each recipient and subrecipient awarded funds made available under the Act must promptly refer to the Department's Office of Inspector General any credible evidence that a principal officer, employee, agent, contractor, subrecipient, subcontractor, or other person has submitted a false claim under the False Claims Act or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving those funds. Information about the Office of Inspector General Hotline is available at:

<http://www.ed.gov/about/offices/list/oig/hotline.html>

ATTACHMENT T

D. Award Term – Reporting under Section 14008 of the American Recovery and Reinvestment Act of 2009

For each year of the program, a State must submit a report to the Secretary at such time and in such manner and containing such information as the Secretary may require.

ATTACHMENT U

PROHIBITION OF TEXT MESSAGING AND EMAILING WHILE DRIVING DURING OFFICIAL FEDERAL GRANT BUSINESS

Federal grant recipients, sub recipients and their grant personnel are prohibited from text messaging while driving a government owned vehicle, or while driving their own privately owned vehicle during official grant business, or from using government supplied electronic equipment to text message or email when driving.

Recipients must comply with these conditions under Executive Order 13513, "Federal Leadership On Reducing Text Messaging While Driving," October 1, 2009.

12/09

ATTACHMENT V

Registration of Data Universal Numbering System (DUNS) Number and Taxpayer Identification Number (TIN) in the Central Contractor Registration (CCR)

The U.S. Department of Education (Education) Grants Management System (G5) will begin disbursing payments via the U.S. Department of Treasury (Treasury) rather than directly through the Federal Reserve as in the past. The U.S. Treasury requires that we include your Tax Payer Identification Number (TIN) with each payment. Therefore, in order to do business with Education you must have a registered DUNS and TIN number with the CCR, the U.S. Federal Governments primary registrant database. If the payee DUNS number is different than your grantee DUNS number, both numbers must be registered in the CCR. Failure to do so will delay the receipt of payments from Education.

A TIN is an identification number used by the Internal Revenue Service (IRS) in the administration of tax laws. It is issued either by the Social Security Administration (SSA) or by the IRS. A Social Security number (SSN) is issued by the SSA whereas all other TINs are issued by the IRS.

The following are all considered TINs according to the IRS.

- Social Security Number "SSN"
- Employer Identification Number "EIN"
- Individual Taxpayer Identification Number "ITIN"
- Taxpayer Identification Number for Pending ATIN"
- Preparer Taxpayer Identification Number "PTIN"

If your DUNS number is not currently registered with the CCR, you can easily register by going to www.ccr.gov. Please allow 3-5 business days to complete the registration process. If you need a new TIN, please allow 2-5 weeks for your TIN to become active. If you need assistance during the registration process, you may contact the CCR Federal Service Desk at 866-606-8220.

If you are currently registered with CCR, you may not have to make any changes. However, please take the time to validate that the TIN associated with your DUNS is correct.

If you have any questions or concerns, please contact the G5 Hotline at 888-336-8930.